

**Speech of Shri N. Gopalaswami Ayyangar
introducing the Railway Budget
for 1952-53, on 22nd February 1952**

MR. Speaker,

Sir, In compliance with Article 112 of the Constitution, I rise to lay before Parliament the Annual Financial Statement in respect of Railways showing the estimated receipts and expenditure for the year 1952-1953. On a similar occasion last year, in introducing this Statement before the House, I said, "This is my third Budget. It will be my last one also and I look forward to handing over this magnificent national asset and its management to young and capable hands before the Budget for 1952-53 becomes due." I must apologise for standing in this place again to present the Railway Budget for the year 1952-53. But I am not to blame for this state of things. The blame attaches to the timing, duration and completion of the general elections. Out of the 497 members of the new House of the People about 417 have been declared elected already. A few results are still to come in. And the commencement and completion of the elections, for the Upper House have still to be arranged for. So it is clear that the new House of the People and the Ministers who will be responsible to it will not be in position for perhaps another two months, and it has fallen to my lot to stand before you today and present this Annual Financial Statement for Railways. But I propose to do only the minimum that may be required of me before the new Parliament meets. I propose to present only this Annual Financial Statement. The voting of the Demands for Grants under Article 113 has necessarily and very properly to be left to the new House of the People which will be supervising and controlling the administration for at least eleven out of the twelve months of the next financial year. I propose to ask this House only to vote such supplies as may be necessary for meeting the estimated expenditure for the first four months of the coming financial year.

It has been the practice-and I myself have followed it of accompanying the presentation of this Annual Financial Statement with a speech from the Railway Minister, and that speech, on the three occasions on which I had to make it, took me, on the average, about an hour and a half to deliver. I do not want, this year, to inflict such an agony on the Hon'ble Members of this very much-attenuated House, which is speeding fast towards its own extinction. Perhaps, the agony may be left to be inflicted by the Minister who will stand in this place before the new House of the People and perhaps Hon'ble Members would like that agony to be endured not so much by themselves but by the very much larger House that will face the new Minister of Railways.

I have therefore no speech to deliver today. I propose only to say a few words by way of presenting this annual Statement. The Annual Financial Statement gives the estimates for the whole year, as without a picture for the whole year the House will not be in a position to judge the propriety of granting supplies even for the first four months. Instead of a speech, or in place of a speech, in addition to the usual documents that are handed over to Hon'ble Members on an occasion of this sort, I am placing on the Table a White Paper. This White Paper is divided into two parts. It incorporates the usual Explanatory Memorandum of the Financial Commissioner for Railways, which is an annual document. But this document is preceded by an introduction to which I would invite particularly the attention of Hon'ble Members.

It is a rapid survey of the history of railway enterprise in this country and of the broad results of railway working. It is not merely that. It is, if Hon'ble Members will care to devote some time to reading it, an imaginative assessment of policy, programme, execution and administration. It is inspired by a healthy optimism as to the future, founded, firstly, on the actual achievements in railway administration since Independence and, secondly, it is a recognition of practical Indian statesmanship at the top political level and is also rather inspired by the proved confidence in Indian railway men-technical, general, administrative and financial. That, is to say, it looks forward to the future with the fullest confidence as to achievements that may be expected.

I wish on this occasion to draw attention only to a few salient points in the estimates that are placed before the House. It is usual to refer to the results of railway administration in the last completed year, the current year and what is expected in the coming year. The revised estimates of gross traffic receipts and ordinary working expenses were placed at Rs. 263.4 crores and Rs. 180.31 crores respectively for the year 1950-51. The variations were small. The surplus for the year was estimated at Rs. 14.24 crores. The actual figures amount to Rs. 15.05 crores, largely due to a saving of Rs. 1 crore under Miscellaneous Expenditure.

For 1951-52 the budget estimates placed the gross traffic receipts and working expenses at Rs. 279.50 crores and Rs. 216.97 crores respectively. The latest anticipations with regard to the current year are that as a result of large-scale import of food grains and an increase in industrial production the goods earnings will improve by Rs. 7.51 crores. There have been increased military movements and a large scale diversion of traffic in smaller to parcels account and these accounts for an improvement of Rs. 4 crores

approximately. These increases are offset to the extent of 2.5 crores in the earnings from passenger traffic of which Rs. 1 crore is attributable to the decision taken after the introduction of the Budget not to apply the increase in passenger fares to suburban traffic. The residue of Rs.1.5 crores is attributable to a drop in first and inter class traffic.

There has been an increase of Rs. 8.97 crores in the working expenses of which Rs. 3.32 crores is attributable to the increase in the dearness allowance granted during the year, Rs. 1.09 crores has been absorbed by larger losses on grain-shops due to increase in prices. Operational expenses recorded an increase of Rs. 1.4 crores due mainly to the introduction of additional train services; the acceleration in the programme of repairs and maintenance accounts for an additional Rs. 1 crore.

The net surplus for the current year after payment of the dividend to general revenues is now estimated at Rs. 22.06 crores against the budget estimate of Rs. 21.85 crores. This will be distributed between the Development Fund and the Revenue Reserve Fund-Rs. 10 crores to the former and Rs. 12.06 crores to the latter. Besides this, an appropriation of Rs. 30 crores to the Depreciation Fund is included under Working Expenses.

For the Budget year the gross revenue is placed at Rs. 289.47 crores, roundly Rs. 299 crores, which is a crore less than 300 and the Working Expenses are estimated at. Rs. 232.94 crores. The goods earnings are likely to increase, partly due to augmentation of railway transport capacity and partly to increase in industrial activity. Further progress has been made in the process of rationalisation of the freight structure by adjustment in the rates for sugar, oilseeds iron and steel and coal particularly coal-and these are estimated to bring additional revenues of the order of Rs. 9 crores.

Passenger earnings are estimated to produce Rs. 1.25 crores less than in the current year. Taking these facts into account the gross earnings of the coming year are estimated to produce Rs. 10 crores more than the revised estimates of the current year. The ordinary Working Expenses of Rs. 202.7 crores are about Rs. 7 crores more than the revised estimates for the current year. Increased coal freight alone will account for Rs. 2.4 crores. Continued increase in the cost of supplies and services and an acceleration of the programme of repairs and maintenance account for the balance.

Hon'ble Members will have noticed that thus the growth in expenditure is well below the growth in revenues in spite of additional services and larger amenities being provided. This reflects the effectiveness of the financial and administrative control, which has been exercised on the economics of railway operation.

After payment of dividend to General Revenues the net surplus is estimated to be Rs. 24.87 crores. The capital programme for the railways has now been stepped up to Rs. 80 crores, in the coming year of which 43 crores will be expended on replacement of rolling stock and machinery and about Rs. 37 crores for structural and other engineering works etc. It is expected that with the financial provision which has now been made and which is proposed to be maintained in the coming years the back log of arrears of replacements will be fully overtaken by the year 1954-55. A provision of Rs. 15 crores has been made for track renewals so that the bottlenecks in the faster movement of traffic may be eliminated. Important other provisions are: Rs. 1 crore for the completion of the Chittaranjan Locomotive Project, Rs. 1.2 crore for the Coach Building Factory at Perambur which is expected to be in production in two years' time, Rs. 2 crores for the Kandla-Deesa Project; there is also provision for the construction of the following three new railway lines Madhopur-Murliganj on the O.T. Railway, Kastagram-Pariharpur on the E.I. Railway and Quilon-Ernakulam on the Southern Railway.

The major demand on the resources is certainly for rehabilitation. When this rehabilitation is completed, capital allotments should be and could be more largely diverted towards the expansion of rail facilities in India. We are making provision already in a small way for essential projects of expansion. It has been agreed, however, that there will be a transport component in the estimates of major industrial plans, that is to say when a large industrial scheme is undertaken, simultaneously provision should be made for the additional transport facilities that will be required for making that industrial scheme, the success it deserves to be. Provision for this purpose will be in addition to what I have mentioned already.

Now, the period of five years since Independence will be completed with the budget year. It has been one of remarkable expansion of the Indian Government Railways system. I would only mention a few points to show how remarkable it has been. The route mileage of Government Railways has increased by 6,880 to 33,303 on 31st March, 1951. This was of course due largely to the integration of the ex-Indian States Railways. The capital at charge of Government Railways will by the end of the budget year increase by Rs. 160 crores to a total of Rs. 862 crores on 31st March, 1953, about a third of the additional capital representing the capital of the ex-States Railways. The gross traffic receipts during these five years will have increased by 40 per cent from 213.10 crores to Rs. 298.47 crores, the highest figure so far touched in the

history of Indian Railways. The ordinary working expenses representing the cost of railway operation will record an increase of only 26 per cent the total amounting to Rs. 202.7 crores. The ratio of ordinary working expenses, excluding depreciation, to gross traffic receipts will register during this period a decrease from 75.3 per cent to 67.9 per cent. The net earning power of the Government Railways has also improved considerably. The net traffic receipts recorded an increase of 64.8 per cent from Rs. 39.78 crores in 1948-49 to Rs. 65.53 crores in 1952-53. The return on capital, that is the percentage of the net traffic receipts to the capital at charge, has steadily risen from 5.66 per cent in 1948-49 to 7.6 per cent.

After meeting in full the dividend payable to General Revenues, Railways have utilised the net surplus towards strengthening their reserve funds. The balances in the Depreciation, Development and Revenue Reserve Funds will amount to Rs. 163.55 crores on 31st March, 1953. I mention these facts to indicate how sound at the present moment the finances of the Indian Government Railways are. There are indeed few railways of the same magnitude in the world, in countries of comparable size and volume of traffic, which can claim to have done anywhere near so well in recent years as Indian Railways.

A good deal of what we have been able to do during the last two-three years is due to the revised financial Convention which was ratified by Parliament and which came into force on the 1st April, 1950. To illustrate what this has meant, I would only quote a few figures. As a result of this new Convention it has been possible to make increased allotments for the rehabilitation programme in 1949-50 we allocated Rs. 31 crores for this purpose, in 1950-51 Rs. 32 crores, in 1951-52 Rs. 53 crores according to the revised estimate, and in 1952-53 the budget estimate puts it at Rs. 58 crores-in all totaling Rs. 174 crores in the course of four years. This impressive increase in the provision of funds for rehabilitation is being utilised to make good the deficiencies of earlier years due to the effect of war and partition. Under locomotives, during these four years we have provided an additional 1,135 locomotives, under carriages we have provided 2,214 under wagons 18,711. But even so, we have still to make considerable progress before we can say that we are above lack of adequate facilities or above being dependent on very inadequate facilities for moving both passenger and goods traffic. On the 1st April, 1951, the number of locomotives, which required to be replaced, was 1640, the annual replacement figure calculated on our total stock being of the order of 200. Under coaches, 5120 was the figure and under wagons 25,000 wagons remained to be replaced on the same date, the normal annual wastages under these heads being only 600 and 5,500 respectively. The condition of the track had considerably deteriorated as maintenance and replacement could be carried out only to the minimum required for safety purposes in previous years. During the war, 26 branch lines were torn up and dismantled to provide permanent way materials for use overseas and on military projects in India. These have to be restored and a three-year programme of restoration has been undertaken and many of the dismantled lines are in the process of this restoration at present. It is hoped that this programme will be completed in another two or three years.

It is not merely that we are financially very much better off. Railways have shown a considerable increase and a welcome increase in what you might describe as "operational efficiency". There has been remarkable improvement in this respect as is evident from the following facts. The wagon turn-round both on the broad gauge and on the metre gauge railways, which was 11.1 and 6.4 days in March 1949, had decreased to 10.5 and 5.8 days in March 1951 respectively. The number of engine failures in 1948-49 was 7,250 while in 1950-51 it was only 3,911. The engine miles per engine failure were 30,000 in March 1949 and the corresponding figure in March 1951 was 40,000. The detention of wagons in big marshalling yards, which was 32 hours in 1948-49, had been reduced to 22 hours in 1950-51. In the handling of goods traffic on the railways, there has been a very general improvement all over. But the most outstanding achievement of the year 1951-52 has been the part played by the railways to assist my Hon'ble colleague the Food Minister to avert famine in Bihar. While in 1950 Bihar received only 74,000 tons of food grains from outside the State, 7.8 lakh tons were imported in 1951, of which nearly five lakh tons had to be transported within the short period of about three months before the transport system in the rural areas could be immobilised by the rains.

In addition to all this, many records in railway administration have been broken. New records have been established. The magnitude of this achievement is there for anyone to see. But I will mention two or three of these items in order to prove what I have said. In recent years, the magnitude of the increase in the volume of traffic has been unusually heavy. I have had a comparison made under a few of these items between the state of things at present and the state of things, as they existed in 1938-39, i.e., just before the outbreak of the last war. In making this comparison, we have taken only those railways, which have not been affected by the partition or the integration of the ex-Indian States' railways. Taking these comparable railway systems and adding the figures of all these systems together, we find-taking 100 as a kind of index figure for 1938-39, that the number of passengers originating has shown an increase to 306 in 1950-51; passenger miles 271; tons originating 123; and ton miles 144. I do not think I would weary the House much further.

There are two events, which are likely to take place before the next financial year closes. One of them is the holding of a session of the International Railway Congress in this country. An invitation was extended to them and it has been accepted. The second is the Centenary of the Indian Railways. The first train steamed out of Bombay in 1853. In 1953 the Centenary occurs and it is proposed to celebrate it as befits the occasion. Plans are being got ready for that purpose and it is expected that if possible these two events might synchronise some time in the spring of 1953 and if they do not actually synchronise the Centenary will probably follow the International Railway Congress within a few weeks.

Before I close I should like to say a few words about the assistance that it has been my good fortune to receive from everyone connected with the railway administration in this country. I would call them all railway men and at the head of this body I place my Hon'ble colleague Mr. K. Santhanam. From him I have received cooperation and assistance, which cannot be measured in any conventional terms. He has been bringing to his task an amount of knowledge of railway problems and administration, a capacity for hard work and intelligent advice, which have given me assistance, which I value very greatly. I had hoped that it would have been possible for him to have continued his connection with railway administration in this country for some more years at least, but the vagaries of the ballot box have deprived Parliament of the valuable services in this direction, which he might otherwise have rendered. He is, however, proceeding to take up responsibilities of a different character. May I on behalf of myself and on behalf of all other members of the House, extend to him our greetings on the assumption of his new responsibilities and wish him godspeed in the good and constructive work he would be called upon to render in his new capacity?

Of the assistance I have received from members of the Railway Board I would not speak at any very great length. That assistance has been rendered with loyalty, enthusiasm and an anxiety to produce the best results, which have extorted my appreciation. And let me say, in answer to some critics who hesitated to accept the small changes I made in the constitution of the Board a year ago, that those changes have produced results which are all to the good; administration has improved; administration has been smoother and the relations between the political chiefs and the permanent services who man the Railway Board have been of the happiest possible description. Beyond that the Railway Board has maintained contact with its regional chiefs and the officers and men around them in a manner which is all to the good. Of officers on the railways and the men on the railways I wish only to say this, they are a fine body of men. I do not know if Hon'ble Members nowadays hear so much of corruption amongst officers on the railways as they used to complain of a few years ago. I believe the standard of character amongst, railway officers is high, I would say, compared with the standard, which perhaps might exist elsewhere. I can say after more than three and a half years of experience of these men that their standard is really high. The capacity of the men and officers is such that it will not compare unfavourably with any similar body of men elsewhere in the world. It is only when our men go to some of these international conferences, it is only when international congresses meet here, that they find that after all they are not such an inferior body of men as ordinary people take them to be. There are people in other parts of the world who are anxious to get their help and assistance in solving their problems in their own countries.

With the trade unions, I must say, on the whole, my relations have been happy. There have of course been threats of strike now and then. But I have never found it impossible to come to terms with the leaders of these trade unions. That, I think, is evidence of the sense of responsibility, which actuates these leaders. There was a threat of a strike in the current year and negotiations were started and at the end it was possible to avert the strike, a development which I attribute to the sense of patriotism that animated both leaders and men in these trade unions. And though within the last day or two we have been told that the strike is not off-the threat might be revived and so on I have no doubt that any person who happens to be in my place, if only he will tackle it in the proper way, will be able to arrive at settlements which would be acceptable both to the Government-employer and the workers on the railways.

I wish to say no more except to refer to a concluding observation I made last year in my speech. I said then "An emotional peroration is however not amongst my failings. I can only end now by saying Indian Railways have since I made my last budget speech done definitely better and will do better and better in the future."

Let me conclude by saying that Indian Railways have done better in 1951-52 and will do still better in the years to come.
